

From: Joseph Schmitz

Sent: Wednesday, December 1, 2021 3:33 PM

To: Fashola, Oreoluwa O. <Oreoluwa.Fashola@sba.gov>; Naomi Allen <naomi.allen@pacem-solutions.com>

Cc: FOIA <FOIA@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>; Saberre, Joanne T. <joanne.saberre@sba.gov>; SBA National Ombudsman <ombud@sba.gov>

Subject: RE: FOIA APPEAL, ATT: Chief, Freedom of Information/Privacy Acts Office

Dear Oreoluwa:

Now that the "on-going enforcement proceeding" referenced in your September 28, 2021, FOIA Appeal Response letter has concluded, I prepared the attached 2nd FOIA request, which is a reiteration of my original request.

Please let me know if there is anything else I need to do to avoid starting from scratch. As indicated in the attached 2nd FOIA request, the information we are requesting is urgently needed.

Yours truly,

JOSEPH SCHMITZ
Chief Legal Officer



2941 Fairview Park Drive
Suite 350
Falls Church, VA 22042

US Cell: +1 703 992 3095
Office: +1 571 385 0297
Email joseph.schmitz@pacem-solutions.com
joseph.schmitz@pacem-defense.com

From: Fashola, Oreoluwa O. <Oreoluwa.Fashola@sba.gov>

Sent: Wednesday, September 29, 2021 10:58 PM

To: Joseph Schmitz <joseph.schmitz@pacem-solutions.com>; Naomi Allen <naomi.allen@pacem-solutions.com>

Cc: FOIA <FOIA@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>; Saberre, Joanne T. <joanne.saberre@sba.gov>; SBA National Ombudsman <ombud@sba.gov>

Subject: RE: FOIA APPEAL, ATT: Chief, Freedom of Information/Privacy Acts Office

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Mr. Schmitz,

Review of the information took longer than usual and I regret this delay, you shall receive a response no later than close of business Monday, October 4, 2021, if not sooner.

Oreoluwa (Ore) Fashola
Chief, Freedom of Information & Privacy Act (FOI/PA)
Office of Hearings and Appeals (OHA)
U.S. Small Business Administration (SBA)
O – (202) 401-7793
F – (202) 841-1541
oreoluwa.fashola@sba.gov



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From: Joseph Schmitz <joseph.schmitz@pacem-solutions.com>
Sent: Wednesday, September 29, 2021 1:55 PM
To: FOIA <FOIA@sba.gov>; Naomi Allen <naomi.allen@pacem-solutions.com>
Cc: Hou, Ashley H. <Ashley.Hou@sba.gov>; Saberre, Joanne T. <joanne.saberre@sba.gov>; SBA National Ombudsman <ombud@sba.gov>
Subject: RE: FOIA APPEAL, ATT: Chief, Freedom of Information/Privacy Acts Office

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Dear Ore:

Did you already send the response to my FOIA appeal that you suggested would be sent "by Wednesday, September 22, 2021"? If so, please re-send it to this email as I have not seen it.

Yours truly,
/Joe/

JOSEPH SCHMITZ
Chief Legal Officer



2941 Fairview Park Drive
Suite 350
Falls Church, VA 22042

US Cell: +1 703 992 3095
Office: +1 571 385 0297
Email: joseph.schmitz@pacem-solutions.com
joseph.schmitz@pacem-defense.com

From: FOIA <FOIA@sba.gov>

Sent: Thursday, September 16, 2021 2:35 PM

To: Naomi Allen <naomi.allen@pacem-solutions.com>; FOIA <FOIA@sba.gov>

Cc: Joseph Schmitz <joseph.schmitz@pacem-solutions.com>; Hou, Ashley H. <Ashley.Hou@sba.gov>;
Saberre, Joanne T. <joanne.saberre@sba.gov>; SBA National Ombudsman <ombud@sba.gov>

Subject: RE: FOIA APPEAL, ATT: Chief, Freedom of Information/Privacy Acts Office

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Mr. Schmitz,

We regret the delay in responding to your appeal, however we are still gathering more information from the program office. We will provide a response to you by Wednesday, September 22, 2021.

Sincerely,

Oreoluwa (Ore) Fashola
Chief, Freedom of Information & Privacy Act (FOI/PA)
Office of Hearings and Appeals (OHA)
U.S. Small Business Administration (SBA)
O – (202) 401-7793
F – (202) 841-1541
oreoluwa.fashola@sba.gov



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From: Naomi Allen <naomi.allen@pacem-solutions.com>

Sent: Friday, August 13, 2021 3:48 PM

To: FOIA <FOIA@sba.gov>

Cc: Joseph Schmitz <joseph.schmitz@pacem-solutions.com>; Hou, Ashley H. <Ashley.Hou@sba.gov>;
Saberre, Joanne T. <joanne.saberre@sba.gov>; SBA National Ombudsman <ombud@sba.gov>

Subject: FOIA APPEAL, ATT: Chief, Freedom of Information/Privacy Acts Office

CAUTION - The sender of this message is external to the SBA network. Please use care when clicking on links and responding with sensitive information. Send suspicious email to spam@sba.gov.

To whom it may concern in the FOIA/PA Office:

Please find attached a letter from Joseph Schmitz, Chief Legal Officer of Pacem Solutions International LLC, which is an appeal of the SBA's July 28, 2021, response to PACEM's FOIA request submitted on June 18, 2021, with control number SBA-2021-012861.

Copied on this e-mail are SBA counsel with whom PACEM have communicated on this matter and the SBA Office of the National Ombudsman, ATT: Cynthia Pope, Case Manager.

Best regards,

Naomi Allen
Legal Intern | Pacem Solutions International LLC

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U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

Sent Via Email: John.Asbury@bankatunion.com

November 10, 2022

Atlantic Union Bank (A440522)
Attn: Mr. John Ashbury, Chief Executive Officer
1051 E. Cary Street, Suite 103
Richmond, VA 23219

Re: PACEM Solution International LLC (SBA Loan # 2843337007)
Section 1112 of the CARES Act, Subsidy for Certain Loan Payments, for the 7(a) Loan Program

Mr. Asbury,

The above referenced loan was reviewed by the Small Business Administration's Office of Credit Risk Management (OCRM) to determine if the loan was eligible for consideration under Section 1112 of the CARES Act. Under Section 1112 of the CARES Act, SBA is required to make the loan payments that Borrowers owe on 7(a) loans in a regular servicing status, and the CARES Act provides that any payment made by SBA shall relieve the Borrower of the obligation to pay that amount.

OCRM determined that this loan was NOT eligible to receive Section 1112 payments.

OCRM's review was initiated due to concerns about Atlantic Union Bank's request for payments to be issued for the loan to PACEM Solution International, LLC (SBA Loan #2843337007). To test the loan's eligibility for Section 1112 payments, OCRM's review focused on eligibility and servicing.

Per documentation provided to OCRM, Access National Bank, which was acquired by Atlantic Union Bank, originated a loan that was not eligible for the 7(a) loan program. Additionally, the servicing actions taken on this loan did not comply with applicable SBA Loan Program Requirements. Most concerning is that the original loan was originated in August 2018 as a 12-month, fully amortizing loan, which should have been paid in full in 2019. However, in May 2020, the loan had been subject to various amendments and had a principal balance of \$4.7 million (a principal reduction of only \$300,000). Although prior amendments had focused on bringing interest current and maintaining interest only payments, the May 2020 amendment done by Atlantic Union Bank, after the announcement of the CARES Act, restructured the loan to extend the loan from June 15, 2020 to December 1, 2020. The repayment terms required principal payments of \$775,000 plus interest, on the first day of each month beginning June 1, 2020. The borrower did not have history of making payments of principal and interest much less payments in this amount. This appears to be an attempt by Atlantic Union Bank to receive payment in full for a loan that had experienced repayment issues from origination through the last amendment. Such action would constitute a violation of 13 C.F.R. §120.524(a)(1-5).

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If not already done, Atlantic Union Bank must review this loan and return any previously issued funds to SBA using the process described in Procedural Notice 5000-20023, Section N.1., Instructions for Lender Reconciliation and Returned Payments.

Due to the materiality of non-compliance with servicing requirements, SBA is evaluating additional actions that may be taken against Atlantic Union Bank and reserves all rights and remedies available to it at law or equity.

The review activities require payment from your institution. Please ensure that payment is remitted in accordance with the enclosed invoice.

Sincerely,

**EDWARD
LEDFORD**

Digitally signed by
EDWARD LEDFORD
Date: 2022.11.10 12:33:36
-05'00'

Edward R. Ledford
Deputy Director
Office of Credit Risk Management

CC: Susan Streich, Director – Office of Credit Risk Management
Dianna Seaborn, Director – Office of Credit Risk Management
Arlene Embrey, Attorney – Office of General Counsel
Cailyn Gerald, Deputy Director – Office of Financial Program Operations
Carl Knoblock, District Director – Virginia District Office

Enclosures: Invoice



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

Atlantic Union Bank
1051 E. Cary Street, Suite 103
Richmond, VA 23219

FIRS: A440522

Re: Invoice for 7(a) Loan Program, Loan File Review (Forensic - Single Loan)

Customer Number: 000026210

Invoice Number: 235020098

Invoice Date: November 10, 2022

Due Date: December 10, 2022

The Office of Credit Risk Management (OCRM) conducted a Risk-Based Review (single loan file). Details on the results can be found in the accompanying letter.

In accordance with 13 CFR § 120.1070, lenders are required to pay SBA fees to cover the cost of the review. **The fee for conducting this Review for your institution is \$2,807.18.**

Please be advised that payments not received by the due date shall be considered delinquent. SBA will charge interest and other applicable charges and penalties on delinquent payments as authorized by 31 USC 3717. Interest accrues from the date of delinquency and the current interest rate on delinquent debt is 1.0 percent per year. A penalty charge will be assessed on the amount due on a debt that is delinquent for more than 90 days, in which case the penalty charge will accrue from the date of delinquency. Under the authority of 31 USC 3717(e)(2), SBA charges a penalty of 6.0 percent per year on delinquent debt. Furthermore, a Lender's failure to pay any of the fee or any interest and penalties that have been charged, may result in a decision to suspend or revoke a Lender's eligibility to participate in SBA's 7(a) loan program or to limit a Lender's delegated authority.

Please remit payment electronically through the Department of Treasury website: <https://www.pay.gov>. On the site, select "Find an Agency" (near the top of the page) select "S" and chose "SBA". Next, select "1544 Lender Fee Payments" and "Continue". Provide the institution information and for the payment type, select "Review Fee". Enter the complete SBA Invoice Number in the SBA Invoice Number field and the complete Customer Number in the Customer Number field. Then enter the total annual fee amount in the "Fee Amount Paid" field and "Continue". For questions regarding the use of www.pay.gov, call 1-800-624-1373.

The SBA will no longer accept checks for the payment of this fee. Any checks received will be returned to the sender."

ATTACHMENT C



December 9, 2022

Sent Via Email: Edward R. Ledford - (Eddie.Ledford@sba.gov)

Edward R. Ledford
Deputy Director, Office of Credit Risk Management
US Small Business Administration
Washington, DC 20416

Re: PACEM Solution International, LLC (SBA Loan #2843337007) (the "Loan")
Section 1112 of the CARES Act, Subsidy for Certain Loan Payments for the 7(a) Loan
Program

Dear Mr. Ledford,

On behalf of Atlantic Union Bank (the "Bank"), we acknowledge receipt of your November 10, 2022 letter emailed to the Bank's Chief Executive Officer, John Asbury. Together with internal and external counsel, we have reviewed this Loan and the SBA's concerns regarding the origination, servicing, and receipt of payments under Section 1112 of the CARES Act.

The Bank agrees with your determination that the Loan was not eligible to receive Section 1112 payments of the CARES Act. Therefore, on December 5, 2022, we returned to SBA the total amount of \$35,262.50 using the process described in Procedural Notice 5000-20023. This amount represents the Section 1112 payments the Bank received from the SBA for April and May 2020. We have also remitted payment of the review fee in the amount of \$2,807.18 as outlined in your invoice dated November 10, 2022.

We have also reviewed your other concerns about the Loan as outlined in the letter. We addressed many of these specific concerns in a letter to you dated on August 20, 2021 (copy attached) as part of a review of this Loan. Importantly, we note that this Loan was originated at a bank that was acquired by Atlantic Union Bank and the bankers who originated and serviced the Loan involved are no longer with our Bank.

Finally, we have also reviewed the SBA's concerns raised about this Loan against the Bank's current processes and procedures for originating and servicing SBA 7(a) loans. We have determined that the concerns that the SBA identified regarding the Loan are inconsistent with Atlantic Union Bank's current processes, procedures, and internal controls for SBA 7(a) loans,

and could not occur in the Bank today. The Bank takes its obligations to the SBA seriously and has developed an efficient and effective process for our 7(a) program to ensure compliance with SBA program requirements.

Thank you for your attention to this matter. We value our relationship with the SBA and appreciate your assistance throughout the PACEM Loan.

Sincerely,



Michael T. Leake
Market President & Director of SBA Lending

CC: John Asbury, Atlantic Union Bank, CEO (via email)
Corey Booker, Atlantic Union Bank, Vice President & Senior Counsel (via email)
Ethan Smith, Shareholder, Starfield & Smith, PC (via email)
Susan Streich, Director, Office of Credit Risk Management (via email)
Dianna Seaborn, Director, Office of Financial Assistance (via email)
Arlene Embrey, Attorney, Office of General Counsel (via email)
Cailyn Gerald, Deputy Director, Office of Financial Program Operations (via email)
Carl Knoblock, District Director, Virginia District Office (via email)

From: [Embrey, Arlene M.](#)
To: [Milt Johns](#); [Bart Valad](#)
Subject: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)
Date: Friday, December 23, 2022 10:30:00 AM

Good morning. As I discussed with your colleague on December 12, 2022, SBA has formally denied the claim made by PACEM International Solutions, LLC ("PACEM") in their Form 95, Federal Tort Claims Act, 28 U.S.C. §2672 (a). That claim was received by SBA's Baltimore District Counsel via email on June 29, 2022.

PACEM's claim was for the payment four CARES Act Section 1112 subsidy payments that it claimed had not been credited to the above-referenced loan number from September – December 2020. After reviewing all of the documents submitted by PACEM, reviewing the loan itself and communicating with the lender, Atlantic Union Bank, SBA determined that PACEM is ineligible to receive Section 1112 payments under the CARES Act given, among other things, PACEM's loan and payment history.

Please let me know if you have any questions.

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Embrey, Arlene M.
Sent: Monday, December 12, 2022 11:01 AM
To: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Thanks. You can reach me at the number below.

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Milt Johns <mjohns@xlppllc.com>
Sent: Monday, December 12, 2022 10:59 AM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Cc: Bart Valad <bvalad@xlppllc.com>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Subject: Re: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Hi Arlene - I may be able to call after 4:30 pm

Sent from my iPhone - please excuse ridiculous typos

On Dec 12, 2022, at 10:41 AM, Embrey, Arlene M. <Arlene.Embrey@sba.gov> wrote:

Good morning. There have been some developments with this matter and the Lender that will affect the resolution of your client's Form 95 claim. Please let me know if you are free today at 1pm or after 4:30pm or anytime tomorrow to discuss.

Regards,
Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Embrey, Arlene M.
Sent: Monday, October 24, 2022 9:53 AM
To: Bart Valad <bvalad@xlppllc.com>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Good morning and thank you for your email. As of today, I am unable to discuss a specific timeline for a resolution. At the moment, it does not appear that any additional information is needed from your client, but if there is, I will certainly reach out to you. As we discussed, please feel free to contact me.

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Bart Valad <bvalad@xlppllc.com>
Sent: Friday, October 21, 2022 12:26 PM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Dear Counsel:

On behalf our client PACEM, thank you again for taking the time to speak with us regarding this matter in our recent conference call.

Can you provide us with an updated status regarding PACEM's request for CARES Act payments? Of particular interest is your anticipated timeline for when this matter will be brought to a resolution. As we discussed, please advise if our client can provide you with any additional information or take any additional steps that would assist in securing approval for PACEM's request.

Thank you in advance for any additional information you can provide.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
(571) 500-1010
(703) 828-8869 (direct)
www.xlppllc.com

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From: Bart Valad
Sent: Tuesday, October 4, 2022 2:18 PM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Dear Counsel:

Thank you for the response. 10:00 am Friday, Oct. 7 will work here. We will look forward to receiving the evite.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
(571) 500-1010
(703) 828-8869 (direct)
www.xlppllc.com

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From: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Sent: Tuesday, October 4, 2022 2:06 PM
To: Bart Valad <bvalad@xlppllc.com>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Good afternoon. Are you available to speak on Friday, October 7? If so, please let me know if either 10am or 2pm will be convenient and I will send an evite.

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Bart Valad <bvalad@xlppllc.com>
Sent: Friday, September 30, 2022 10:31 AM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Thank you counsel, as always, for the prompt response. We look forward to conferring and hopefully moving this matter toward a resolution.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
(571) 500-1010
(703) 828-8869 (direct)
www.xlppllc.com

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From: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Sent: Friday, September 30, 2022 10:28 AM
To: Bart Valad <bvalad@xlppllc.com>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA

Loan 2843337007 (PACEM Solutions International)

Good morning. I am still waiting to clear the Associate General Counsel's schedule. As I'm sure you can appreciate, this was the last week of the federal fiscal year and the calendar has been full. I will reach out to you as soon as I have a response.

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Bart Valad <bvalad@xlppllc.com>

Sent: Friday, September 30, 2022 10:26 AM

To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>

Cc: Milt Johns <mjohns@xlppllc.com>

Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Dear Counsel:

Following up on our communications on Wednesday. Please advise regarding your availability for a telephone conference. We appreciate your continuing cooperation regarding this matter, and look forward to speaking with you.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
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From: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Sent: Wednesday, September 28, 2022 11:53 AM
To: Bart Valad <bvalad@xlppllc.com>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Good afternoon. I will get back to you with available times, hopefully later this afternoon.

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Bart Valad <bvalad@xlppllc.com>
Sent: Wednesday, September 28, 2022 11:41 AM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Dear Counsel:

Thank you for your response to our recent e-mail.

We would like to set up a conference call with you to discuss the status and options for resolving this matter without the need to initiate litigation. Please advise regarding your availability Thursday 09/29, or before 2:00 p.m. Friday 09/30. If these dates are

not convenient for you, please let us know your availability next week.

We are looking forward to speaking with you regarding this matter.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
(571) 500-1010
(703) 828-8869 (direct)
www.xlppllc.com

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From: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Sent: Thursday, September 22, 2022 7:26 PM
To: Bart Valad <bvalad@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Good evening. I will be discussing the client's position with our Associate General Counsel for Litigation and will respond to you as soon as possible. As you know, your client's FTCA Form 95 is in the review process.

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Bart Valad <bvalad@xlppllc.com>
Sent: Thursday, September 22, 2022 7:15 PM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>

Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Dear Counsel:

Please advise regarding your client's position in the above-referenced matter. As I am sure you can understand, this is a significant issue for our client and the need to move forward to a resolution.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
(571) 500-1010
(703) 828-8869 (direct)
www.xlppllc.com

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From: Bart Valad

Sent: Thursday, September 15, 2022 5:14 PM

To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>

Cc: Milt Johns <mjohns@xlppllc.com>

Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Dear Counsel:

Thank you for the response. We look forward to hearing from you next week.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC

11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
(571) 500-1010
(703) 828-8869 (direct)
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From: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Sent: Thursday, September 15, 2022 5:08 PM
To: Bart Valad <bvalad@xlpplc.com>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlpplc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Good afternoon. Thank you for your email. I will be out of the office until Wednesday, September 21, 2022. I have asked my client to meet with me regarding your email and hope to be able to speak with you next week.

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Bart Valad <bvalad@xlpplc.com>
Sent: Thursday, September 15, 2022 4:29 PM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlpplc.com>
Subject: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Dear Counsel:

Our client PACEM has instructed us to proceed with filing suit regarding PACEM's CARES Act SBA loan subsidy disbursements if a prompt pre-litigation resolution cannot be effectuated.

For your reference, please see the enclosed courtesy copy of a draft Complaint in this matter.

It continues to be our belief that this is the type of matter that the parties should be able to resolve without filing suit. We welcome hearing from you regarding any updated information you have concerning the status of this matter, and ask you to please advise us immediately as to your client's position regarding whether this can be resolved without the need for litigation.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
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(703) 828-8869 (direct)
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From: [Embrey, Arlene M.](#)
To: [Bart Valad](#)
Cc: [Milt Johns](#)
Subject: RE: CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)
Date: Friday, February 10, 2023 5:24:00 PM

Good afternoon. I discussed your request for the release of certain documents related to SBA's decision to deny your client's Federal Tort Claims Act Form 95 filing with the Associate General Counsel for Litigation. The documents you have requested, in particular "the demand letter to PACEM's lender, and the lender's response to this request" are not releasable. The documents include correspondence between SBA, as the regulator of the 7(a) program, and one of its participating lenders. Those documents are confidential in nature and were sent with the expectation of confidentiality. With respect to your client's Freedom of Information Act ("FOIA") request, the documents would be exempt from disclosure pursuant to FOIA Exemptions 4 and 8.

As I indicated in my email of December 23, 2022 (below), after a thorough review of the documents provided by PACEM, SBA determined that PACEM was ineligible to receive Section 1112 payments under the CARES Act given, among other things, PACEM's loan modification and repayment history. While your January 9, 2023 email indicated there was no longer a business relationship between your client and the lender, this information should still be available to PACEM upon request.

Please let me know if I can be of further assistance.

Regards,
Arlene

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Bart Valad <bvalad@xlppllc.com>
Sent: Friday, January 27, 2023 1:31 PM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Dear Arlene:

Following up on our recent correspondence. Any update to the status of the request to provide PACEM copies of the demand letter to PACEM's lender, and the lender's response to this request? We continue to be hopeful that you will be able to provide us with these items as well as any other information that would assist our client in further understanding the reasons for SBA's denial of PACEM's request, so that we can avoid further follow-up on PACEM's prior FOIA requests, or the need for additional submissions.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
(571) 500-1010
(703) 828-8869 (direct)
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From: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Sent: Friday, January 13, 2023 12:21 PM
To: Bart Valad <bvalad@xlppllc.com>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

You as well!

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Bart Valad <bvalad@xlppllc.com>
Sent: Friday, January 13, 2023 12:21 PM

To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Thanks again, Arlene. Have a great weekend.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
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(703) 828-8869 (direct)
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From: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Sent: Friday, January 13, 2023 12:19 PM
To: Bart Valad <bvalad@xlppllc.com>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Good afternoon. Your request has been referred to the Associate General Counsel for Litigation. I am still awaiting his decision and will inform you as soon as I received it.

Regards,
Arlene

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416

T. 202-205-6976

From: Bart Valad <bvalad@xlppllc.com>
Sent: Friday, January 13, 2023 11:32 AM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Dear Arlene:

Sorry for the short follow-up on this. Are you able at this point to confirm that the information we discussed below is in process and can be provided? This is an important issue for our client, and I know that previously they spent a great deal of time and effort trying to ascertain status before we were engaged on the matter, including FOIA requests and other correspondence. I would very much like to avoid the necessity of retracing any of those steps or making any additional requests.

Thanks again for your assistance. We are looking forward to hearing from you.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
(571) 500-1010
(703) 828-8869 (direct)
www.xlppllc.com

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From: Bart Valad
Sent: Monday, January 9, 2023 12:01 PM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Thank you, Arlene. Since this is our client's former lender, there is no longer a business relationship that would make these accessible.

Please let us know if there is any additional information we can provide, and thanks again for your assistance.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
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(703) 828-8869 (direct)
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From: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Sent: Monday, January 9, 2023 10:47 AM
To: Bart Valad <bvalad@xlppllc.com>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Good morning. Given that the correspondence was to and from SBA and one of its lenders, I will need to determine whether that information can be released. Has your client contacted the lender for this information?

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Bart Valad <bvalad@xlppllc.com>
Sent: Monday, January 9, 2023 10:42 AM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>

Cc: Milt Johns <mjohns@xlppllc.com>

Subject: CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Dear Arlene:

Thank you for your note below, and the cooperation you have offered to our client and to members of my office throughout this process as we worked through, on this end, the status of PACEM's eligibility for additional CARES Act payments.

In your call with Jill Hellwig of my office, we understood that you may be able to share additional information regarding PACEM's request for payments, including the demand letter to PACEM's lender, and the lender's response to this request. We would be grateful if you would provide us with these items, and any other information that would assist our client in further understanding the reasons for SBA's denial of PACEM's request. As you may be aware, our client did make previous FOIA requests to learn the reasons that payments were discontinued, and our client remains very interested to understand as much as possible about the reasons for the actions taken.

Thank you again, Arlene, for your review and consideration of this request. If you have any questions or require any additional information from us, please feel free to contact me or Milt Johns.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
(571) 500-1010
(703) 828-8869 (direct)
www.xlppllc.com

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From: Embrey, Arlene M. <Arlene.Embrey@sba.gov>

Sent: Friday, December 23, 2022 10:31 AM

To: Milt Johns <mjohns@xlppllc.com>; Bart Valad <bvalad@xlppllc.com>

Subject: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Good morning. As I discussed with your colleague on December 12, 2022, SBA has formally denied the claim made by PACEM International Solutions, LLC ("PACEM") in their Form 95, Federal Tort Claims Act, 28 U.S.C. §2672 (a). That claim was received by SBA's Baltimore District Counsel via email on June 29, 2022.

PACEM's claim was for the payment four CARES Act Section 1112 subsidy payments that it claimed had not been credited to the above-referenced loan number from September – December 2020. After reviewing all of the documents submitted by PACEM, reviewing the loan itself and communicating with the lender, Atlantic Union Bank, SBA determined that PACEM is ineligible to receive Section 1112 payments under the CARES Act given, among other things, PACEM's loan and payment history.

Please let me know if you have any questions.

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Embrey, Arlene M.
Sent: Monday, December 12, 2022 11:01 AM
To: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Thanks. You can reach me at the number below.

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Milt Johns <mjohns@xlppllc.com>
Sent: Monday, December 12, 2022 10:59 AM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Cc: Bart Valad <bvalad@xlppllc.com>; Hou, Ashley H. <Ashley.Hou@sba.gov>

Subject: Re: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Hi Arlene - I may be able to call after 4:30 pm

Sent from my iPhone - please excuse ridiculous typos

On Dec 12, 2022, at 10:41 AM, Embrey, Arlene M. <Arlene.Embrey@sba.gov> wrote:

Good morning. There have been some developments with this matter and the Lender that will affect the resolution of your client's Form 95 claim. Please let me know if you are free today at 1pm or after 4:30pm or anytime tomorrow to discuss.

Regards,
Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Embrey, Arlene M.
Sent: Monday, October 24, 2022 9:53 AM
To: Bart Valad <bvalad@xlppllc.com>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Good morning and thank you for your email. As of today, I am unable to discuss a specific timeline for a resolution. At the moment, it does not appear that any additional information is needed from your client, but if there is, I will certainly reach out to you. As we discussed, please feel free to contact me.

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration

Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Bart Valad <bvalad@xlppllc.com>
Sent: Friday, October 21, 2022 12:26 PM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Dear Counsel:

On behalf our client PACEM, thank you again for taking the time to speak with us regarding this matter in our recent conference call.

Can you provide us with an updated status regarding PACEM's request for CARES Act payments? Of particular interest is your anticipated timeline for when this matter will be brought to a resolution. As we discussed, please advise if our client can provide you with any additional information or take any additional steps that would assist in securing approval for PACEM's request.

Thank you in advance for any additional information you can provide.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
(571) 500-1010
(703) 828-8869 (direct)
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From: Bart Valad
Sent: Tuesday, October 4, 2022 2:18 PM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlpplc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Dear Counsel:

Thank you for the response. 10:00 am Friday, Oct. 7 will work here. We will look forward to receiving the evite.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
(571) 500-1010
(703) 828-8869 (direct)
www.xlpplc.com

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From: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Sent: Tuesday, October 4, 2022 2:06 PM
To: Bart Valad <bvalad@xlpplc.com>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlpplc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Good afternoon. Are you available to speak on Friday, October 7? If so, please let me know if either 10am or 2pm will be convenient and I will send an evite.

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration

Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Bart Valad <bvalad@xlppllc.com>
Sent: Friday, September 30, 2022 10:31 AM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Thank you counsel, as always, for the prompt response. We look forward to conferring and hopefully moving this matter toward a resolution.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
(571) 500-1010
(703) 828-8869 (direct)
www.xlppllc.com

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From: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Sent: Friday, September 30, 2022 10:28 AM
To: Bart Valad <bvalad@xlppllc.com>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Good morning. I am still waiting to clear the Associate General Counsel's schedule. As I'm sure you can appreciate, this was the last week of the federal fiscal year and the

calendar has been full. I will reach out to you as soon as I have a response.

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Bart Valad <bvalad@xlpplc.com>
Sent: Friday, September 30, 2022 10:26 AM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlpplc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Dear Counsel:

Following up on our communications on Wednesday. Please advise regarding your availability for a telephone conference. We appreciate your continuing cooperation regarding this matter, and look forward to speaking with you.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
(571) 500-1010
(703) 828-8869 (direct)
www.xlpplc.com

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From: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Sent: Wednesday, September 28, 2022 11:53 AM
To: Bart Valad <bvalad@xlppllc.com>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Good afternoon. I will get back to you with available times, hopefully later this afternoon.

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Bart Valad <bvalad@xlppllc.com>
Sent: Wednesday, September 28, 2022 11:41 AM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Dear Counsel:

Thank you for your response to our recent e-mail.

We would like to set up a conference call with you to discuss the status and options for resolving this matter without the need to initiate litigation. Please advise regarding your availability Thursday 09/29, or before 2:00 p.m. Friday 09/30. If these dates are not convenient for you, please let us know your availability next week.

We are looking forward to speaking with you regarding this matter.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
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(703) 828-8869 (direct)
www.xlppllc.com

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From: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Sent: Thursday, September 22, 2022 7:26 PM
To: Bart Valad <bvalad@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Good evening. I will be discussing the client's position with our Associate General Counsel for Litigation and will respond to you as soon as possible. As you know, your client's FTCA Form 95 is in the review process.

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Bart Valad <bvalad@xlppllc.com>
Sent: Thursday, September 22, 2022 7:15 PM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Dear Counsel:

Please advise regarding your client's position in the above-referenced matter. As I am sure you can understand, this is a significant issue for our client and the need to move forward to a resolution.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
(571) 500-1010
(703) 828-8869 (direct)
www.xlppllc.com

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From: Bart Valad
Sent: Thursday, September 15, 2022 5:14 PM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlppllc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Dear Counsel:

Thank you for the response. We look forward to hearing from you next week.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
11130 Fairfax Blvd, Suite 303
Fairfax, VA 22030
(571) 500-1010
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From: Embrey, Arlene M. <Arlene.Embrey@sba.gov>
Sent: Thursday, September 15, 2022 5:08 PM
To: Bart Valad <bvalad@xlpplc.com>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlpplc.com>
Subject: RE: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

Good afternoon. Thank you for your email. I will be out of the office until Wednesday, September 21, 2022. I have asked my client to meet with me regarding your email and hope to be able to speak with you next week.

Regards,

Arlene M. Embrey
Trial Attorney
U.S. Small Business Administration
Office of Litigation
409 3rd Street, SW
Washington, D.C. 20416
T. 202-205-6976

From: Bart Valad <bvalad@xlpplc.com>
Sent: Thursday, September 15, 2022 4:29 PM
To: Embrey, Arlene M. <Arlene.Embrey@sba.gov>; Hou, Ashley H. <Ashley.Hou@sba.gov>
Cc: Milt Johns <mjohns@xlpplc.com>
Subject: Courtesy Copy of Draft Complaint, CARES Act Subsidy Payment Claim - SBA Loan 2843337007 (PACEM Solutions International)

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Dear Counsel:

Our client PACEM has instructed us to proceed with filing suit regarding PACEM's CARES Act SBA loan subsidy disbursements if a prompt pre-litigation resolution cannot

be effectuated.

For your reference, please see the enclosed courtesy copy of a draft Complaint in this matter.

It continues to be our belief that this is the type of matter that the parties should be able to resolve without filing suit. We welcome hearing from you regarding any updated information you have concerning the status of this matter, and ask you to please advise us immediately as to your client's position regarding whether this can be resolved without the need for litigation.

Regards,

Bart T. Valad, Esq.
Executive Law Partners, PLLC
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Fairfax, VA 22030
(571) 500-1010
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